

## Message Text

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ORIGIN EA-14

INFO OCT-01 EUR-25 EB-11 AF-10 ARA-16 ADP-00 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 GSA-02 INT-08 L-03 H-03 PA-03 PRS-01

USIA-15 NEA-10 IO-13 /232 R

DRAFTED BY EB/ISM:DFMEYERS:RDM

8/23/73 EXT. 21487

APPROVED BY EB/ICD:JJINGERSOLL

GSA:BROSS

----- 047017

R 241842Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY LONDON

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY KINSHASA

AMEMBASSY KUALA LUMPUR

AMEMBASSY JAKARTA

AMEMBASSY LA PAZ

AMEMBASSY LAGOS

USMISSION EC BRUSSELS

C O N F I D E N T I A L STATE 168915

E.O. 11652: GDS

TAGS: EMIN, ECON

SUBJECT: TIN: DISPOSAL PROGRAM

REF: LONDON 9640

1. EMBASSY IS REQUESTED TO REPLY TO ALLEN OF ITC ALONG  
FOLLOWING LINES:

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A. DEPT RECOGNIZES CONCERN OF TIN PRODUCING COUNTRIES

AND ITC REGARDING GSA TIN DISPOSAL PROGRAM AND THEREFORE HAS INITIATED CONSULTATIONS ON A REVISED PROGRAM. IN DECIDING ON ITS OWN RECOMMENDATIONS FOR SUCH REVISIONS, DEPT WILL ASSESS RESULTS OF CONSULTATIONS AND RESPONSES OF TIN PRODUCERS AND ITC ON PROPOSED PROGRAM FOR REMAINDER OF 1973.

B. BECAUSE OF CURRENT EXCELLENT MARKET CONDITIONS AND VERY HIGH PRICES FOR TIN, DEPT CANNOT POSTPONE ITS DECISION UNTIL AFTER SEPTEMBER 18. WE BELIEVE NOW IS BEST TIME FOR GSA TO SELL INCREASED AMOUNTS. GSA HAS LARGE AMOUNT OF TIN AUTHORIZED AND AVAILABLE FOR DISPOSAL, AND IN OUR VIEW GSA SHOULD SELL MORE WHEN PRICES ARE AT RECORD HIGHS IN US.

C. CONTINUANCE OF PRICE AT HIGH LEVELS WILL ULTIMATELY LEAD TO MORE SUBSTITUTION OF OTHER PACKAGING MATERIAL FOR TIN PLATE. IN US ALTHOUGH TIN CONSUMPTION FOR 1973 HAS INCREASED BY 8 PERCENT OVER SAME PERIOD OF 1972, THERE HAS

BEEN VIRTUALLY NO INCREASE IN TIN PLATE CONSUMPTION DESPITE RECORD AMOUNT OF CAN SHIPMENTS.

D. RAPID SUBSTITUTION IS NOT IN BEST INTERESTS OF TIN PRODUCERS OR USG, WHICH MUST NOW BE CONSIDERED AS SUPPLY SOURCE AND WHICH WILL BE A FACTOR IN TIN MARKET FOR SEVERAL YEARS TO COME.

E. GSA SALES MADE DURING JUNE WERE ENTIRELY CONSISTENT WITH WORLD MARKET PRICES. IN JULY DURING THE PRICE FREEZE IN US, GSA PRICES FOR TIN WERE FROZEN AT \$2.14 PER POUND. HOWEVER, THIS FREEZE HAD NO EFFECT ON WORLD MARKET PRICES WHICH ROSE TO RECORD LEVELS IN N.Y. AND LONDON.

F. DURING PHASE FOUR ECONOMIC CONTROLS, WHICH BEGAN AUGUST 12, THERE ARE PRESENTLY NO PLANS FOR CONTINUED PRICE FREEZE FOR GSA TIN SALES.

G. SHOULD TIN PRICES DROP PRECIPITOUSLY FROM THEIR CURRENT HIGH LEVELS, WE WILL BEGIN AN IMMEDIATE REVIEW OF OUR REVISED DISPOSAL PROGRAM.

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2. FYI. WE EXPECT AN EARLY DECISION ON A REVISED PROGRAM, POSSIBLY BEFORE END OF AUGUST, SO THAT GSA WILL BE BACK IN MARKET BY SEPTEMBER. END FYI. RUSH

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## Message Attributes

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**TAGS:** EMIN, ECON, US, ITC-1  
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